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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 13, 2001

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUE000550

Ex Parte: In the matter concerning the application of Appalachian Power Company d/b/a American Electric Power-Virginia for approval of a plan to transfer functional and operational control of certain transmission facilities to a Regional Transmission Entity

ORDER PRESCRIBING NOTICE, INVITING
COMMENTS, AND SETTING HEARING

Sections 56-577 and 56-579 of the Virginia Electric Utility Restructuring Act (the "Restructuring Act"), Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia ("Code"), require Virginia's incumbent electric utilities to join or establish regional transmission entities ("RTEs") by January 1, 2001, and to seek authorization from the State Corporation Commission ("Commission") to transfer the management and control of their transmission assets to such RTEs.

Specifically, § 56-577 A of the Restructuring Act states in pertinent part that:

[O]n or before January 1, 2001, each incumbent electric utility owning, operating, controlling, or having an entitlement to transmission capacity shall

join or establish a regional transmission entity, which entity may be an independent system operator, to which such utility shall transfer the management and control of its transmission system, subject to the provisions of § 56-579.

Section 56-579 A 1 of the Restructuring Act provides in pertinent part that:

[N]o such incumbent electric utility shall transfer to any person any ownership or control of, or any responsibility to operate, any portion of any transmission system located in the Commonwealth without obtaining the prior approval of the Commission, as hereinafter provided.

The Commission was directed by § 56-579 A 2 of the Restructuring Act to develop rules and regulations under which incumbent electric utilities owning, operating, controlling, or having an entitlement to transmission capacity within the Commonwealth may transfer all or part of such control, ownership, or responsibility to an RTE. The Commission was directed by § 56-579 B of the Restructuring Act to adopt rules and regulations establishing elements of an RTE structure essential to the public interest. These elements are to be considered by the Commission in determining whether to authorize transfer of control of incumbent electric utilities' transmission assets to RTEs.

On July 19, 2000, the Commission adopted, in Case No. PUE990349, regulations governing incumbent electric

utilities' transfer of the ownership or control of transmission assets, or entitlements thereto, to an RTE, 20 VAC 5-320-10 et seq. (the "RTE Rules"). The RTE rules require an incumbent electric utility, submitting an application to transfer ownership or control of transmission assets to an RTE, to provide the Commission with information pertaining to the transfer including, but not limited to, the RTE business structure and governance, transmission rate or rates, and the planning, operation, maintenance, and other responsibilities of the various entities participating in the RTE.

Pursuant to 20 VAC 5-320-100 of the RTE Rules, on October 16, 2000, Appalachian Power Company d/b/a American Electric Power-Virginia ("AEP-VA" or the "Company"), filed an application with the Commission to transfer functional and operational control of its transmission facilities located in the Commonwealth of Virginia to the proposed Alliance RTO.¹ The Alliance RTO is a Regional Transmission Organization to be created pursuant to federal regulations issued by the Federal Energy Regulatory Commission ("FERC"). The Alliance RTO is being formed by the following transmission-owning incumbent electric utility systems: American Electric Power Service Corporation on behalf of Appalachian Power Company, Columbus

¹ The phrases Regional Transmission Entity or RTE and Regional Transmission Organization or RTO may be used interchangeably.

Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company; Consumers Energy Company; The Dayton Power and Light Company; The Detroit Edison Company, FirstEnergy Corp. on behalf of The Cleveland Electric Illuminating Company, Ohio Edison Company, Pennsylvania Power Company, and the Toledo Edison Company; the Northern Indiana Public Service Company; and Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power") (the "Alliance Companies"). This group of incumbent electric utilities provides service in the states of Illinois, Indiana, Kentucky, Michigan, Missouri, Ohio, Pennsylvania, North Carolina, Tennessee, Virginia, and West Virginia.

As the proposed Alliance RTO is to be created pursuant to federal regulations, the Alliance Companies have filed with the FERC for approval. The FERC conditionally authorized the Alliance RTO in an order issued December 20, 1999 ("Alliance I Order").² Among other things, the Alliance I Order raised issues

² Alliance Companies Docket Nos. ER99-3144-003, ER99-3144-004 and ER99-3144-005; American Electric Power Service Corporation on behalf of: Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company; Consumers Energy Company Docket Nos. EC99-80-003, EC99-80-004 and EC99-80-005; The Detroit Edison Company; First Energy Corporation on behalf of: The Cleveland Electric Illuminating Company, Ohio Edison Company, Pennsylvania Power Company, The Toledo Edison Company; and Virginia Electric and Power Company ("Alliance Companies, et al."), 89 FERC 61,298 (December 20, 1999).

regarding the Alliance RTO proposal's compliance with FERC Order No. 2000, which includes requirements for the scope and configuration of an RTO, independence standards, interregional coordination, rate design methodology, market monitoring, and ancillary service.³

The Alliance Companies filed a revised proposal on February 17, 2000, and on May 18, 2000, the FERC issued an order further addressing its concerns and directing additional compliance filings ("Alliance II Order").⁴ On September 15, 2000, the Alliance Companies made the further compliance filing. On January 24, 2001, the FERC issued another order that provided more guidance on the formation of the Alliance RTO, its required functions, and Open Access Transmission Tariff ("OATT") issues, and also denied requests for rehearing ("Compliance Filing Order").⁵ The Compliance Filing Order directed the Alliance Companies to make another compliance filing by May 15, 2001.⁶

³ Regional Transmission Organizations, Order No. 2000, 65 Fed. Reg. 809 (January 6, 2000), FERC Stats. & Regs. ¶ 31,089 (1999), order on reh'g, Order No. 2000-A, 65 Fed. Reg. 12,088 (March 8, 2000), FERC Stats. & Regs. ¶ 31,092 (2000), petitions for review pending sub. nom. Public Utility District No. 1 of Snohomish County, Washington v. FERC, Nos. 00-1174, et al. (D.C. Cir.) ("Order No. 2000"). The Alliance Companies made an Order 2000 Compliance Filing on January 16, 2001, in Docket No. RT01-88-000. The Commission filed a motion to intervene and protest in this docket on March 12, 2001. This docket is still pending.

⁴ Alliance Companies, et al., 91 FERC 61,152 (May 18, 2000).

⁵ Alliance Companies, et al., 94 FERC 61,070 (January 24, 2001).

⁶ It should be noted that in Docket No. ER01-123-000 Dynegy Inc. ("Dynegy"), which has merged with Illinois Power Company's parent company, has requested

The FERC has not taken final action in regard to the Alliance Companies' proposal. It is clear that determining the structure, functions, and responsibilities of the Alliance RTO has been, and will continue to be, an evolutionary process.

In its filings with the FERC pertaining to the formation and implementation of the Alliance RTO, the Alliance Companies described the organization's proposed structure.⁷ The proposed Alliance RTO is structured to allow for the creation of either an Independent System Operator ("ISO") or a Transco. An ISO or a Transco does not own or operate generation facilities. An ISO is a non-profit entity operated by a board according to bylaws adopted by the participating transmission owners and independent from the Alliance Companies and other market participants. An ISO controls and operates transmission facilities that are owned by the participating transmission owners. Under the Alliance Companies' proposal, an individual transmission owner could under certain conditions, for example by electing to sell its

authorization to withdraw Illinois Power Company from the Midwest Independent System Operator, Inc. ("MISO"), and has entered into negotiations with the Alliance Companies for inclusion of Illinois Power Company in the Alliance RTO. Ameren Corporation and Exelon Corporation have also entered into negotiations to withdraw from the MISO and join the Alliance RTO. The Commission has filed comments in this docket based on the possible effects such action would have on the proposed Alliance RTO. This docket is still pending.

⁷ This filing is referenced in Appendix B of AEP-VA's application.

transmission assets, trigger the conversion of the ISO structure to a Transco.

A Transco is a for-profit transmission entity that would own, control, and operate the transmission facilities divested to it by certain transmission owners. Under the Alliance Companies' proposal, the Alliance RTO would control and operate transmission assets owned by the nondivesting transmission owners, and would own, operate, and control facilities divested to it by those Alliance Companies that choose to do so. Like an ISO, a Transco is to be independent. When converted to a Transco, the Alliance RTO would be operated by a publicly held managing company called Alliance Publico according to an operating agreement to which both divesting and nondivesting transmission owners would be parties.

Several of the Alliance Companies have indicated an intention to divest their assets and thus to establish the Alliance RTO in the form of a Transco. AEP states in its application that at this time it intends to transfer only functional and operational control, but not ownership rights, to the Alliance RTO.

According to the Alliance Companies, the proposed Alliance RTO structure is intended to provide flexibility for both the Alliance Companies and other companies that join the RTE, to retain ownership of their transmission assets or to divest

transmission ownership should they elect to do so, while ensuring fair and impartial control of the transmission systems and the separation of transmission from generation and power marketing.

AEP-VA's application states that the Alliance Companies have also filed with the FERC a proposed OATT reflecting transmission service rates and terms and conditions. The Alliance RTO rate proposal establishes zonal (or "license plate") rates for transmission service to loads within a particular Alliance RTO zone.⁸ Zonal rates would have two components, a zonal facilities charge and a zonal transition adjustment ("ZTA") that would be added to the license plate zonal rates to allow the Alliance RTO to eliminate rate "pancaking" or multiple access charges,⁹ while keeping transmission owners revenue neutral and avoiding revenue losses. A single region-wide rate for transmission service to loads located outside of the Alliance RTO also is proposed.¹⁰

⁸ These loads are intrazonal, drive-in, or within transactions.

⁹ 20 VAC 5-320-20 defines rate pancaking as the practice of requiring a transmission customer to pay a separate access charge each time the contract path associated with the customer's purchase of electricity from a generation source crosses the boundary of another transmission owner so as to count more than once the quantity transmitted, or otherwise counting the quantity of electricity transmitted more than once in the calculation of the transmission customer's charges.

¹⁰ The Alliance Companies refer to this rate as the Region-Wide Rate for Through and Out Transactions ("RTOR").

AEP-VA's application also describes certain planning, operation, reliability and maintenance, and other characteristics, functions, and responsibilities of the Alliance RTO and the Alliance Companies. Such responsibilities include, but are not limited to, transmission owner construction of new transmission facilities as approved by the Alliance RTO, Alliance RTO responsibility to facilitate redispatch agreements in response to requests for new transmission service, management of the Alliance Transco, transmission service transaction scheduling, ancillary services, market monitoring, control area or security coordinator responsibility, coordination with generators and policies for interconnecting new generators, interregional coordination, and Alliance RTO responsibility for planning necessary transmission expansions, additions, and upgrades.

AEP-VA requests a waiver of 20 VAC 5-320-100 11 of the RTE Rules, which requires the Company to file with the Commission copies of its application to form the Alliance RTO submitted to the FERC, all amendments thereto, any pleadings, and any orders, or other such documents that are filed with or issued by FERC, to the extent such documents are dated after September 15, 2000, the date of the last compliance filing made by the Alliance Companies. Copies of all such documents related to the federal Alliance RTO proceeding and dated on or before September 15,

2000, were filed with the Commission by AEP-VA on its own behalf in this matter, and on behalf of Dominion Virginia Power for use in Case No. PUE000551.¹¹ The Company notes that the documents are voluminous, and since the Commission is a party to the proceeding, the Commission already will be served with such documents.¹²

NOW THE COMMISSION, having considered the application, is of the opinion that the matter should be docketed, notice of AEP-VA's application should be given to the public, and interested persons should have an opportunity to comment on the Company's application and to participate in hearings on this matter.

The Commission is required by § 56-579 A of the Restructuring Act and the RTE Rules to determine whether the transfer of operation or control of transmission assets by an incumbent electric utility to an RTE promotes the public interest, and is consistent with the orderly development of competition in the Commonwealth, and with ensuring both the

¹¹ Dominion Virginia Power's application filed in Case No. PUE000551 requests Commission approval of its plan to transfer operational and functional control of its transmission assets to the Alliance RTO. Commonwealth Of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter concerning the application of Virginia Electric and Power Company d/b/a Dominion Virginia Power for approval of a plan to transfer functional and operational control of certain transmission facilities to a Regional Transmission Entity.

¹² The Commission is an intervenor in FERC Docket No. ER99-3144-004. Supra at fn. 2.

successful development of interstate RTEs and the meeting of the transmission needs of electric generation suppliers both within and without the Commonwealth. As such, we must find that AEP-VA's proposed transfer satisfies the standards of the Restructuring Act and the requirements of the five essential categories established by the RTE Rules: planning and reliability policies and practices; interconnection, pricing, and access policies; independent governance; consistency with FERC policy; and fair compensation to the transferor. AEP-VA has the burden of demonstrating compliance with the requirements set forth in both the Restructuring Act and the RTE rules.

Both AEP-VA's application and the application filed by Dominion Virginia Power in Case No. PUE000551 raise issues pertaining to transfer of control of transmission assets to an RTE, and the structure and operations of the Alliance RTO. The issues arising from the proposed transfer may be either common to both AEP-VA's and Dominion Virginia Power's plans, or specific to the individual incumbent electric utility. The Company's plan contains aspects that are distinct from Dominion Virginia Power's plan and require separate consideration. Therefore, we will schedule two hearings to entertain the issues. One proceeding will be a joint hearing including both AEP-VA and Dominion Virginia Power, and the other will be convened specifically for consideration of AEP-VA's application.

Together, the proceedings will determine whether the proposed transfer meets the requirements of the Restructuring Act and the RTE Rules and is in the public interest.

We have identified certain principal common issues to be considered at the joint hearing, as well as issues specifically related to AEP-VA's application. The issues outlined below are broad and attempt to encompass as many areas of concern related to the transfer of transmission assets as possible. These issues contain many subissues themselves. We request that interested persons, including the Company and Commission Staff, identify any additional issues that such parties believe do not fall under the issues identified herein. We will ask that any additional issues proposed to be raised be identified in comments filed for consideration in this matter, or in Notices of Protest filed by those persons who expect to participate in either or both of the scheduled proceedings. We recognize that as the Alliance RTO evolves, circumstances may change and other issues may develop regarding the transfer of AEP-VA's transmission assets. When appropriate, such issues will be considered accordingly.

A hearing will first be held regarding the issues common to both proceedings, and will include both AEP-VA and Dominion Virginia Power. The principal common issues that will be considered at the joint hearing include: (1) RTE planning and

reliability policies and practices; (2) interconnection of generating facilities to the RTE; (3) relief of transmission congestion by the RTE; (4) operational procedures; (5) market monitoring; (6) responsibility for construction of transmission facilities; (7) governance of the RTE; (8) consistency with FERC policy; (9) transmission related decisions such as interconnection; (10) the successful development of interstate RTEs; and (11) assurance that the transmission needs of electric generation suppliers both within and without the Commonwealth will be met.

A separate hearing then will be convened for the purposes of considering issues specific to AEP-VA's application. The principal aspects of the Company's application that deserve separate consideration include: (1) a comparison of the Alliance RTO's expected transmission charges and resulting revenue with AEP-VA's pricing for transmission service; (2) the Company's proposed zonal or license plate rates and methodology; (3) assurance that the Company's transmission rates do not discourage economic transactions and do not encourage uneconomic transactions; (4) analysis of the facilities designated as transmission; (5) the current and projected transmission capability between generation markets within the Alliance RTO and AEP-VA; (6) the Company's rationale for choosing the

Alliance RTO; and (7) fair compensation to AEP-VA as the transferor.

We will grant the Company's request for a waiver of 20 VAC 5-320-10 11 of the RTE Rules to the extent that such documents are filed with or issued by FERC and are dated after September 15, 2000.

We also note that the Company's application has been affected by both amendments to the Virginia Electric Utility Restructuring Act contained in Senate Bill 1420 ("SB 1420") that were passed by the 2001 General Assembly, and by recent events at the FERC relating to the federal Alliance RTO filing. We will direct AEP-VA to update its application as appropriate to reflect such developments.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE000550.

(2) A joint hearing with Dominion Virginia Power is hereby scheduled for 10:00 a.m. on July 30, 2001, in the Commission's Second Floor Courtroom for the purpose of receiving evidence related to the issues delineated herein as common to both AEP-VA's and Dominion Virginia Power's plans to transfer transmission asset management and control to the Alliance RTO.

(3) A hearing is hereby scheduled for 10:00 a.m. on September 13, 2001, in the Commission's Second Floor Courtroom for

the purpose of receiving evidence related specifically to aspects of AEP-VA's application.

(4) The Company's request for a waiver of 20 VAC 5-320-1011 is hereby granted to the extent described herein.

(5) The Company shall supplement its application as appropriate to reflect passage of SB 1420 and recent developments at the FERC pertaining to the federal Alliance RTO filing no later than May 15, 2001.

(6) AEP-VA shall promptly make a copy of its application and other materials available to the public who may obtain copies, at no charge, by making a request in writing from counsel for AEP-VA, Anthony Gambardella, Esquire, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219. The application and other materials filed in this docket may also be reviewed during regular business hours at the Commission's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(7) On or before May 8, 2001, AEP-VA shall publish the following notice as display advertising, not classified, twice in newspapers of general circulation throughout its service territory:

NOTICE OF COMMONWEALTH OF VIRGINIA, EX REL.
STATE CORPORATION COMMISSION, EX PARTE: IN
THE MATTER CONCERNING THE APPLICATION OF
APPALACHIAN POWER COMPANY D/B/A
AMERICAN ELECTRIC POWER-VIRGINIA
FOR APPROVAL OF A PLAN TO TRANSFER
FUNCTIONAL AND OPERATIONAL CONTROL OF
CERTAIN TRANSMISSION ASSETS TO A REGIONAL
TRANSMISSION ENTITY ("RTE")
CASE NO. PUE000550

On October 16, 2000, Appalachian Power Company d/b/a American Electric Power-Virginia ("AEP-VA" or the "Company"), filed, pursuant to §§ 56-577 and 56-579 of the Virginia Electric Utility Restructuring Act (the "Restructuring Act") and the State Corporation Commission's Regulations Governing Transfer of Transmission Assets to Regional Transmission Entities (the "RTE Rules"), an application with the State Corporation Commission ("Commission") to transfer functional and operational control of its transmission facilities located in the Commonwealth to the proposed Alliance Regional Transmission Organization ("Alliance RTO").

The Alliance RTO is to be created pursuant to federal regulations issued by the Federal Energy Regulatory Commission ("FERC"). The Alliance RTO is being formed by the following transmission-owning incumbent electric utility systems: American Electric Power Service Corporation on behalf of Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company; Consumers Energy Company; The Dayton Power and Light Company; The Detroit Edison Company, FirstEnergy Corp. on behalf of The Cleveland Electric Illuminating Company, Ohio Edison Company, Pennsylvania Power Company, and the Toledo Edison Company; the Northern Indiana Public Service Company, and

Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power") (the "Alliance Companies").

AEP-VA's application provides information pertaining to the proposed Alliance RTO and the Company's proposed participation. The structure of the proposed Alliance RTO is described in the Company's application, which also contains the proposed tariff filed with the FERC reflecting transmission service rates and terms and conditions. In addition, the Company's application describes certain planning, operation, reliability and maintenance, and other characteristics, functions, and responsibilities of the Alliance RTO and the Alliance Companies.

Interested persons may obtain copies of AEP-VA's application and other materials, as well as the Commission's April 13, 2001, Order issued in this matter, for more information pertaining to the proposed Alliance RTO, the pending FERC proceeding, and the Company's proposed transfer of transmission assets to the Alliance RTO.

A copy of AEP-VA's application and other materials are available for inspection during regular business hours at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. Interested persons may also obtain copies, at no charge, by making a request in writing to counsel for AEP-VA, Anthony Gambardella, Esquire, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219. A copy of the Commission's Order establishing the proceedings, outlining details for participation, and setting forth the complete procedural schedule is available from the Commission's Web site, www.state.va.us/scc/caseinfo/orders.htm.

Because both AEP-VA's application and the application filed by Dominion Virginia Power in Case No. PUE000551, which also requests approval of a plan to transfer operational and functional control of its transmission assets to the Alliance RTO, raise issues for consideration that may be either common to both plans, or specific to the individual incumbent electric utility, the Commission has scheduled two hearings. Together, the proceedings will determine whether the proposed transfer meets the requirements of the Restructuring Act and the RTE Rules, and is in the public interest.

The following principal common issues contained in AEP-VA's and Dominion Virginia Power's plans will be considered at a joint hearing including both AEP-VA and Dominion Virginia Power scheduled for 10:00 a.m. on July 30, 2001, in the Commission's Second Floor Courtroom: (1) RTE planning and reliability policies and practices; (2) interconnection of generating facilities to the RTE; (3) relief of transmission congestion by the RTE; (4) operational procedures; (5) market monitoring; (6) responsibility for construction of transmission facilities; (7) governance of the RTE; (8) consistency with FERC policy; (9) transmission related decisions such as interconnection; (10) the successful development of interstate RTEs; and (11) assurance that the transmission needs of electric generation suppliers both within and without the Commonwealth will be met.

A separate hearing is scheduled for 10:00 a.m. on September 13, 2001, in the Commission's Second Floor Courtroom for the purpose of receiving evidence related to the following principal aspects of the Company's application that deserve separate consideration: (1) a comparison of the Alliance RTO's expected transmission charges and resulting revenue with AEP-VA's pricing

for transmission service; (2) the Company's proposed zonal or license plate rates and methodology; (3) assurance that the Company's transmission rates do not discourage economic transactions and do not encourage uneconomic transactions; (4) analysis of the facilities designated as transmission; (5) the current and projected transmission capability between generation markets within the Alliance RTO and AEP-VA; (6) the Company's rationale for choosing the Alliance RTO; and (7) fair compensation to AEP-VA as the transferor.

The issues outlined above are broad and attempt to encompass as many areas of concern related to the transfer of transmission assets as possible. Interested persons may propose additional issues for consideration that such persons believe do not fall under the above listed issues. The Commission recognizes that as the Alliance RTO evolves, circumstances may change and other issues may develop regarding the transfer of control of AEP-VA's transmission assets. When appropriate, such issues will be considered accordingly.

On or before June 15, 2001, any additional issues that interested persons propose for consideration in either proceeding, shall be clearly identified and filed as an original list and 15 copies with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. All additional proposed issues shall be filed on or before June 15, 2001, whether such additional issues are to be considered at the July 30, 2001, hearing on common issues, or the September 13, 2001 hearing specifically on the Company's application.

On or before June 15, 2001, any interested person wishing to comment on the common issues identified herein for consideration at the July 30, 2001, hearing

shall file an original and 15 copies of such comments in writing with the Clerk of the Commission. These comments may include the identification of any additional issues proposed for consideration as described above. Individuals who wish to comment on the aspects of the transfer specific to AEP-VA's application identified herein, which will be the subject of the September 13, 2001, proceeding, shall file an original and 15 copies of such written comments with the Clerk of the Commission on or before August 9, 2001.

All proposed additional issues and comments shall make reference to Case No. PUE000550. A copy of the same must be sent to counsel for the Company at the address set forth above. A copy of any proposed additional issues or comments relating to the July 30, 2001, common issues hearing shall also be sent to counsel for Dominion Virginia Power, Michael C. Regulinski, Senior Counsel, Virginia Electric and Power Company, P.O. Box 26666, Richmond, Virginia 23261-6666.

On or before June 15, 2001, any person who intends to participate as a Protestant in either proceeding pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure shall file with the Clerk of Commission an original and 15 copies of a Notice of Protest and Protest. All Notices of Protest and Protests shall make reference to Case No. PUE000550 and shall indicate whether the Protestant will be participating in either the July 30, 2001, proceeding or the September 13, 2001, proceeding, or both. All Notices of Protest may include the identification of any additional issues proposed for consideration as described above. A copy of any Notice of Protest and Protest must be sent to counsel for the Company at the address set forth above. A copy of any Notice of Protest and Protest proposing additional issues for

consideration or indicating participation in the July 30, 2001, common issues hearing shall also be sent to counsel for Dominion Virginia Power at the address set forth above. Complete details for participation as a Protestant in the proceedings are available in the Commission's Order which may be obtained as described above.

Any person desiring to make a statement at either the July 30, 2001, or the September 13, 2001, hearing need only appear in the Commission's Second Floor Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff as a public witness.

APPALACHIAN POWER COMPANY
D/B/A AMERICAN ELECTRIC POWER-VIRGINIA

(8) On or before May 8, 2001, the Company shall serve a copy of this Order on the Chairman of the Board of Supervisors, Mayor, or Manager of any county, city, or town, or on equivalent officials in counties, towns, and cities having alternate forms of government, in their service territories. Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.

(9) On or before June 15, 2001, AEP-VA shall file with the Commission proof of notice and proof of service as ordered herein.

(10) On or before June 15, 2001, any additional issues that interested persons do not believe fall under the issues identified herein, and that such interested persons wish to propose for consideration in either proceeding, shall be clearly

identified and filed as an original list and 15 copies with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. All additional proposed issues shall be filed on or before June 15, 2001, whether such additional issues are to be considered at the July 30, 2001, hearing on common issues or the September 13, 2001, hearing specifically on the Company's application. All lists shall refer to Case No. PUE000550. A copy of such list simultaneously shall be sent to counsel for the Company. A copy of the list, if in regard to the July 30, 2001, hearing, also shall be sent to counsel for Dominion Virginia Power, Michael C. Regulinski, Senior Counsel, Virginia Electric and Power Company, P.O. Box 26666, Richmond, Virginia 23261-6666.

(11) On or before June 15, 2001, any interested person wishing to comment on the common issues identified herein for consideration at the July 30, 2001, hearing shall file an original and 15 copies of such comments in writing with the Clerk of the Commission. These comments may include the identification of any additional issues proposed for consideration as referred to above in Ordering Paragraph (10). All comments must refer to Case No. PUE000550. A copy of such comments simultaneously shall be sent to counsel for the Company. A copy of those comments also shall be sent to counsel for Dominion Virginia Power. Any person desiring to make a

statement at the July 30, 2001, hearing concerning the common issues need only appear in the Commission's Second Floor Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

(12) On before June 15, 2001, any person who intends to participate as a Protestant in either proceeding pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure shall file with the Clerk of Commission an original and 15 copies of a Notice of Protest and a Protest. A Notice of Protest may include the identification of additional issues proposed for consideration as referred to in Ordering Paragraph (10) above. All Notices of Protest and Protests must refer to Case No. PUE000550. All Notices of Protest shall indicate whether the Protestant intends to participate in either the July 30, 2001, proceeding or the September 13, 2001, proceeding, or both. A copy of all Notices of Protest and Protests simultaneously shall be sent to counsel for AEP-VA. A copy of any Notice of Protest and Protest indicating an intention to participate in the July 30, 2001, common issues hearing shall also be sent to counsel for Dominion Virginia Power. Copies shall also be sent to other Protestants who file Notices of Protests and Protests.

(13) On or before June 22, 2001, each Protestant shall file with the Clerk of the Commission an original and 15 copies of

the prepared testimony and exhibits the Protestant intends to present at the July 30, 2001, common issues hearing. A copy of the same simultaneously shall be sent to counsel for AEP-VA, Dominion Virginia Power, and any other Protestants.

(14) On or before June 29, 2001, the Commission Staff shall prefile the testimony and exhibits it intends to present at the July 30, 2001, hearing on issues common to both applications with the Clerk of the Commission. The Staff shall send a copy of its testimony and exhibits to the Company, Dominion Virginia Power, and each Protestant.

(15) On or before July 13, 2001, the Company shall file with the Clerk of the Commission an original and 15 copies of any testimony it expects to introduce in rebuttal to the direct testimony of Staff and Protestants prefiled for the July 30, 2001, hearing on common issues. A copy of rebuttal testimony shall be sent to Staff, Dominion Virginia Power, and each Protestant by overnight delivery.

(16) On or before August 9, 2001, any interested person wishing to comment on issues specific to AEP-VA's application, which will be the subject of the September 13, 2001 proceeding, shall file an original and 15 copies of such written comments with the Clerk of the Commission. All comments must refer to Case No. PUE000550. A copy of such comments simultaneously shall be sent to counsel for the Company. Any person desiring

to make a statement at the September 13, 2001, hearing need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

(17) On or before August 9, 2001, each Protestant shall file with the Clerk of the Commission an original and 15 copies of the prepared testimony and exhibits the Protestant intends to present at the September 13, 2001, hearing on the Company's application. A copy of the same simultaneously shall be sent to counsel for AEP-VA and any other Protestants.

(18) On or before August 23, 2001, the Commission Staff shall file the testimony and exhibits it intends to present at the September 13, 2001, hearing on the Company's application with the Clerk of the Commission. The Staff shall send a copy of its testimony to the Company and each Protestant.

(19) On or before September 5, 2001, the Company shall file with the Clerk of the Commission an original and 15 copies of any testimony it intends to introduce in rebuttal to the direct testimony of Staff and Protestants prefiled for the September 13, 2001, hearing on the Company's application. A copy of rebuttal testimony shall be sent to Staff and each Protestant by overnight delivery.

(20) The Company shall respond to written interrogatories within seven (7) calendar days after receipt of same. Except as

modified above, discovery shall be in accordance with Part VI of the Commission's Rules of Practice and Procedure.